

Canadian Cottons Limited

MONTREAL, CANADA

FIFTH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1915

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 17TH MAY, 1915

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BOARD OF DIRECTORS

President

C. R. HOSMER

Vice-President

A. O. DAWSON

HON. F. L. BEIQUE, K.C. A. A. MORRICE

GEORGE CAVERHILL SIR H. MONTAGU ALLAN

D. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons

Limited

TO THE SHAREHOLDERS:

YOUR Directors beg to herewith submit the fifth annual report of the Company, for the year ending March 31st, 1915.

Although business throughout Canada was more or less demoralized for a period immediately succeeding the outbreak of the European war, as conditions became more settled the Company's business quickly responded, so that the outcome for the whole year may be considered satisfactory.

The new machinery, which was mentioned in the last annual report as being purchased, has been gradually installed with satisfactory results in decreasing the cost of manufacturing, and further substantial benefits will be realized when the Company's plants are again being operated at their full capacity.

The sales amounted to \$3,321,160, being a decrease of $5\frac{1}{2}\%$ (\$179,316) as compared with the previous year. The Manufacturing profits, together with rentals for leased properties, after making the usual allowance for depreciation, amount to \$573,877.89.

Bond Interest and Dividends on Preferred Stock were paid, amounting to \$429,690. \$10,000.00 was added to the Reserve for bad debts, leaving a balance of \$133,937.89 as Net Earnings, compared with \$163,252.00 for the previous year.

The outlook for the ensuing year is encouraging, but it is hardly likely, while the war continues, that business will be sufficiently large in volume to warrant the Company running all of their mills at full capacity.

A good supply of raw cotton has been secured at favorable prices, and sufficient dyestuffs are on hand to keep the mills supplied for some months to come.

The Management desire to express their appreciation of the efficient service afforded by the staff and employees throughout the year, and it is some gratification to be able to state that, although short time had to be resorted to almost continually during the whole year, to prevent an undue accumulation of manufactured stock, not a single officer or employee of the Company has been dismissed, and every man and woman in our employment has received a living wage throughout this period.

The Directors regret to record the death, on 19th December last, of their friend and colleague, your late President, Mr. D. Morrice, whose unselfish and valuable services have been so cheerfully given to the Company since its organization, and whose wide business experience and intimate knowledge of the cotton industry were of great assistance in furthering its interests.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

C. R. HOSMER,

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDING

DR.

To Raw Material, Manufacturing Cost, Marketing
of Products, Administration, Repairs, Maintenance, and Depreciation - - - - \$2,959,664.05

To Balance

Net Profits to Profit and Loss Account - - 369,411.95
\$3,329,076.00

PROFIT AND I

FOR YEAR ENDING

To Bond Interest 5% - - \$210,250.00
" Dividend Preferred 6% - 219,690.00
\$429,940.00

Reserve for Bad Debts - - 10,000.00

Balance forward - - - 133,937.89
\$573,877.89

ons, Limited

ING ACCOUNT

31ST MARCH, 1915

CR.

By Sales - - - - - \$3,321,160.79

Add inventory of Cloth and Cotton in process of
Manufacture, 31st March, 1915 - - - 1,296,575.68
\$4,617,736.47

Less inventory of Cloth and Process on hand
31st March, 1914 - - - - - 1,288,660.47
\$3,329,076.00

LOSS ACCOUNT

31ST MARCH, 1915

By Net Manufacturing Profits - - - - - \$369,411.95

By Rentals, Mount Royal Spinning Mill, etc. - 204,465.94
\$573,877.89

Canadian Cotton

GENERAL

YEAR ENDING

ASSETS

Cash	-	-	-	-	-	\$ 13,169.05
Open Accounts and Bills Receivable						
net cash basis	-	-	-	-	-	741,458.33

Inventory of

Cloth	-	-	\$850,231.88
Process and Yarns	361,573.31		
Raw Cotton	-	439,303.42	
Supplies	-	-	182,802.06
Insurance unearned	51,800.00		
			<u>1,885,710.67</u>

Total Current Assets \$2,640,338.05

Bonds, available against Liability - 670,000.00

Stocks in other Companies and
advances including Discount on
Bonds - - - - - 403,800.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc.	-	<u>\$10,770,006.92</u>
		<u>\$14,484,144.97</u>

Verified,

ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

tons, Limited

STATEMENT

31ST MARCH, 1915

LIABILITIES

Bank Advances	-	-	\$1,271,144.76	
“ “ on Bonds	-	-	396,298.71	
Open Accounts	-	-	225,715.44	
Bond Interest accrued and Dividend payable April 4th	-	-	107,422.50	
Bills Payable	-	-	75,330.38	
Total Current Liability				\$2,075,911.79

<u>BONDS</u>	-	-	-	5,000,000.00	
Less redeemed	-	-	-	125,000.00	
					4,875,000.00

<u>CAPITAL</u>					
Preferred Authorized,					
\$4,500,000.00,	-	-	Issued	3,661,500.00	
Common Authorized,					
\$3,500,000.00,	-	-	Issued	2,715,500.00	

Reserve for Bad Debts	-	-		53,069.42	
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SURPLUS

Balance at Credit of Profit and Loss, 31st March, 1914	-	969,225.87			
Accrued Profits to 31st March, 1915			133,937.89		
				\$1,103,163.76	
					\$14,484,144.97

A. BRUCE, Secretary-Treasurer.

AUDITOR'S REPORT

Montreal, 4th May, 1915

MESSRS. THE PRESIDENT AND DIRECTORS OF
THE CANADIAN COTTONS, LIMITED
MONTREAL

Gentlemen,

I have audited the books and accounts of the Company for the year ending the 31st March, 1915.

I certify that: 1°, the Manufacturing Account, based in results upon the certified inventory presented to me, after charges for the maintenance of the property, and after appropriations for depreciation; 2°, the Profit and Loss Account, after the payment of the Bond interest and of the preferred dividends; and 3°, the General Final Statement, prepared from the books, certified to by me, are correct exhibits of the Company's operations for the year, and of its position at the close, on the 31st March, 1915.

Your obedient servant,

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

